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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 08/02/06

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ARTICLES:

- (1) FNN poll on Koizumi cabinet, political parties, post-Koizumi race, Yasukuni homage, North Korea's missile launches, GSDF deployment in Iraq, US beef

August 1, 2006

Questions & Answers

(Figures shown in %age, rounded off.)

Q: Do you support the Koizumi cabinet?

Yes	43.2	(42.5)
No	40.4	(40.8)
Don't know (D/K) + Can't say which (CSW)	16.4	(16.8)

Q: Which political party do you support?

Liberal Democratic Party (LDP)	40.3	(34.9)
Democratic Party of Japan (DPJ or Minshuto)	19.1	(19.9)
New Komeito (NK)	4.0	(3.1)
Japanese Communist Party (JCP)	2.8	(2.5)
Social Democratic Party (SDP or Shaminto)	1.7	(1.7)
People's New Party (PNP or Kokumin Shinto)	0.2	(0.2)
New Party Nippon (NPN or Shinto Nippon)	0.1	(0.1)
New Party Daichi (NPD or Shinto Daichi)	0.1	(0.0)
Other answers (O/A)	0.9	(0.8)
None	28.5	(33.6)
D/K + Can't say (C/S)	2.5	(3.5)

Q: Who do you think is most appropriate for post-Koizumi leadership?

Taro Aso	5.6	(3.9)
Shinzo Abe	45.6	(44.4)
Sadakazu Tanigaki	9.3	(2.1)
Yasuo Fukuda	9.0	(19.1)
Taro Kono	1.3	(1.0)

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Fukushiro Nukaga	0.2	(---)
Kunio Hatoyama	1.0	(1.3)
Taku Yamasaki	0.6	(0.2)
Kaoru Yosano	0.7	(0.6)
O/A	11.2	(13.0)
D/K+C/S	15.8	(14.5)

Q: What do you think is the most important factor for post-Koizumi leadership?

Personality	12.7
Policy	43.9
Leadership	25.7
Age, career	4.4
Looks	1.2
O/A	8.1
D/K+C/S	4.1

Q: What do you think will be the primary point at issue in the post-Koizumi race?

Foreign policy, national security	18.8	(16.6)
Economic disparities	16.5	(14.5)
Economic policy	14.2	(13.0)
Administrative, fiscal reforms	9.9	(9.9)
Pension, other social security systems	25.0	(28.7)
Education, low birthrate	8.3	(10.5)
O/A	4.3	(3.3)
D/K+C/S	3.3	(3.6)

Q: Who do you think is appropriate for prime minister between Abe, who is said to be the most likely post-Koizumi candidate, and DPJ President Ichiro Ozawa?

Abe	58.1	(46.9)
Ozawa	25.7	(17.9)
D/K+CSW	16.3	(---)

Q: Do you think former Chief Cabinet Secretary Yasuo Fukuda should have run in the LDP presidential election?

Yes	43.0
No	42.2
D/K+CSW	14.9

Q: Are you interested in the LDP presidential election?

Very interested	37.8
Somewhat interested	39.3
Not very interested	14.7
Not interested at all	6.6
D/K+C/S	1.7

Q: Do you think the next prime minister should pay homage at Yasukuni Shrine?

Yes	22.9	(30.7)
No	57.0	(45.7)
D/K+CSW	20.2	(23.6)

Q: Do you think Prime Minister Junichiro Koizumi should pay homage at Yasukuni Shrine on Aug. 15 this year?

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Yes	26.9	(32.2)
No	55.7	(47.7)
D/K+CSW	17.5	(20.1)

Q: Would you like the so-called Yasukuni issue to become a point of contention in electing the post-Koizumi leader?

Yes	22.7
No	60.1
D/K+CSW	17.3

Q: Do you think it better to separate the Class-A war criminals from those enshrined at Yasukuni Shrine?

Yes	58.5
No	25.9
D/K+CSW	15.7

Q: The Japanese government decided to take economic sanctions against North Korea over its recent firing of missiles and also initiated the United Nations Security Council's resolution. What do you think about these actions?

Fully appreciate	26.9
Even stricter measures should be taken	63.4
Actions are too strict	3.2
D/K+C/S	6.6

Q: The Ground Self-Defense Force has completed its two-and-a-half-year mission in Iraq, where the GSDF assisted that country with its reconstruction. Do you appreciate this GSDF mission?

Yes	58.8
No	30.4
D/K+CSW	10.9

Q: The government has decided to resume US beef imports. Would you like to eat US beef?

Yes	13.2
Wait and see for a while	23.3
No	61.3
D/K+C/S	2.3

(Note) Parentheses denote the results of the last survey conducted July 1-2.

Polling methodology: The survey was conducted by Fuji News Network (FNN) on July 29-30 over the telephone on a computer-aided random digit dialing (RDD) basis. For the survey, a total of 2,000 persons

were sampled from among males and females, aged 20 and over, across the nation.

(2) 2006 Defense White Paper alarmed at modernization of Chinese military, Intention behind intelligence-gathering analyzed

SANKEI (Page 2) (Abridged)
August 2, 2006

The cabinet yesterday approved the 2006 Defense of Japan, which is commonly called the defense white paper, as presented by Defense

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Agency Director-General Fukushima Nukaga. The white paper expressed concern over China's growing military spending and the Chinese Air Force's intelligence-gathering activities in waters near Japan. The paper also analyzed not only the Chinese military's capability but also Beijing's intent behind it, describing the Chinese Navy's vigorous activities in the East China Sea as an attempt to secure marine interests.

The paper explained that China's defense spending has grown 13-fold nominally over the last 18 years, projecting that it will greatly surpass Japan's spending in 2008 on the assumption that it grows 15% annually. The number of naval vessels has also increased from 750 to 780 and that of combat aircraft from 2,390 to 3,530. China is also actively developing ballistic missiles, including those capable of carrying nuclear weapons.

During his trip to the United States late last year, then Minshuto (Democratic Party of Japan) President Seiji Maehara described China's military buildup as a real threat. In January, the government released a statement saying that China did not have any intent to invade Japan.

But the white paper touched on Beijing's intent, indicating that the Chinese Navy's objective was to acquire, maintain, and protect oceanic interests. The paper also concluded that the Chinese Air Force was engaged in intelligence gathering against Japan, providing charts showing the Air Self-Defense Force's growing scrambles against Chinese aircraft.

"North Korea is expected to further pursue long-range missiles, including Taepodong-2 derived missiles," the paper indicated in connection with the ballistic missiles launched by Pyongyang on July 15.

Regarding US military realignment, the paper carried a statement by Nukaga, who said: "The implementation of Japan-US agreements is necessary not only for the two countries but also for the peace and stability of the Asia-Pacific region. We must implement them at all cost."

(3) Tanigaki clearly would recognize use of right of collective self-defense, premised on constitutional reform

ASAHI (Page 3) (Full)
August 2, 2006

Minister of Finance Tanigaki, who is a candidate in the upcoming Liberal Democratic Party (LDP) presidential election, was asked yesterday in the Diet by reporters about Japan's right to use collective self-defense. He gave this reply: "We need to recognize (the use) of the right of collective self-defense. The most orthodox way of approaching it would be to go through the proper procedures to amend the Constitution while building a national consensus." Although until now, he had never clarified his view, he indicated that he thought the use of the right of collective self-defense should be allowed by amending the Constitution.

Tanigaki, who hails originally from the Kochikai, a conservative mainstream faction that was cautious about amending the Constitution, had until recently constrained his remarks about the right of collective self-defense and amending the Constitution. However, since he has been named as a contender in the LDP presidential race, he has come out with a bolder stance on

constitutional amendment, and shown a completely different side of himself than the previous one of being pro-China and dovish -- ostensibly in order to expand support for his campaign. He seems to be aiming at stemming the flow of support going to Chief Cabinet Secretary Abe, who is a member of the constitutional reform group.

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A senior official in Tanigaki's faction stated: "If we don't allow the use of the right of collective self-defense, it will be impossible for Japan to make international contributions and the like. It is too risky to allow the use of the right just by reinterpreting the Constitution." He backed up Tanigaki's statement.

(4) Izokukai (Bereaved Families Association) to consider propriety of dis-enshrinement of Class-A war criminals at Yasukuni Shrine

MAINICHI (Top play) (Excerpt)
Evening, August 2, 2006

The Nippon Izokukai (Japan Association of Bereaved Families of the War Dead) (chaired by Makoto Koga, former secretary general of the Liberal Democratic Party (LDP)) today decided to set up a study group to consider the propriety of separating the souls (bunshi) of the Class-A war criminals enshrined at Yasukuni Shrine from the war dead. Koga will present the proposal formally this afternoon to a meeting of vice chairmen, who are expected to accept it. Although Yasukuni Shrine takes the position that once enshrined, souls cannot be separated off, if the Izokukai, as the shrine's largest support organization, starts to look into un-enshrinement, the shrine will come under pressure to respond. However, since the Izokukai is also a major support group of the LDP, some lawmakers are alarmed that the issue of separating the Class-A war criminals from Yasukuni could become a campaign issue in the LDP presidential race, and there is a possibility of the timeframe for setting up the panel and starting its study being put off until after the LDP election.

(5) Regulatory reform proposals have few showcases: Chairman Miyauchi suffering setback due to undue resentment from bureaucrats

ASAHI (Page 4) (Excerpts)
August 1, 2006

The government's Regulatory Reform and Privatization Promotion Council (RRPPC = chaired by Yoshihiko Miyauchi, chairman of Orix) on July 31 submitted to Prime Minister Koizumi a report, which will be the last package of deregulatory proposals for the Koizumi administration. The panel intends to speed up the reform drive by frontloading the timeline for the submission of the report. The panel has suffered a setback, though, because of Chairman Miyauchi's connection with the insider-trading scandal-ridden Murakami Fund coming under fire. Reflecting this incident, the report has few showcases. As the panel's relationship of trust with the Prime Minister's Official Residence (Kantei), the source of its clout, has declined, long-standing complaints over the reforms introduced by the panel are being voiced at the Diet and government offices of Kasumigaseki. The situation will likely affect discussions on a panel that will succeed the RRPPC, when the post-Koizumi administration is launched.

The interim report submitted by the panel had attached to it 22 separate sheets carrying oppositions raised by various government agencies. They reportedly opposed the proposals incorporated in the report more strongly than in usual years.

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The Local Government Law sets the establishment of education board. In an effort to reform the education board system, the panel tried to eliminate this regulation, but in the end, gave up, after meeting strong opposition from the Ministry of Education, Culture, Sports,

Science and Technology (MEXT). The report did not include the agricultural area, also strongly opposed, not even mentioning it in the table of contents.

That is not all. A major miscalculation for Miyauchi was that his deep connections with Yoshiaki Murakami, president of the Murakami Fund, who was arrested on suspicion of violating the Securities and Exchange Law for insider trading, was made an issue in connection with the issue of Bank of Japan Governor Toshihiko Fukui's investment activities. This has sparked an argument blaming regulatory reforms for being harmful.

Even so, the panel insisted on submitting a report while Koizumi is still in office. That is why it has submitted an interim report, instead of submitting only one report a year at year's end. It wanted to make a public appeal during the Koizumi administration, which backed the panel's activities, that its reform initiative has been completed.

However, when Miyauchi tried to schedule a date to hand over the report to Koizumi, a secretary to the prime minister on July 24 turned down the request, telling the panel's administrative office, "Since the chairman is involved in such an incident, we cannot let him meet with the prime minister." The panel had intended to have the report adopted at a cabinet meeting, but such a procedure has been postponed until year's end, when a final report is to be submitted.

Outline of interim report

The following is the outline of the interim report adopted by the RRPPC.

Broadcasting and communications

Of three NHK channels for satellite broadcasting waves, the use of two channels with the exception of one reserved for the use of eliminating bad reception should be suspended and privatized immediately. In order to strengthen the base of the management of commercial TV companies, a restriction on their controlling local stations operating in different areas or controlling a key station and a local station should be further eased.

Education

Transferring authority of municipal education boards to the chiefs of special zones for structural reform. Launching efforts to look into the possibility of abolishing an obligation to set up education boards.

Child-care

Introducing a system that allows users to opt for licensed day nurseries. Abolishing a system of allocating subsidies to day nurseries and instead adopting a system of directly allocating allowances to each household. Promoting efforts to correct gaps with unlicensed facilities.

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Guest workers

Guest workers are now allowed in 27 highly specialized areas. Foreign social workers and nursing-care workers should also be accepted.

Financial services

The Securities and Exchange Surveillance Commission Utilizing should use its recommendation and prosecution functions more actively. The surcharge system should be used more intensively.

Basic rules

Promoting the rationalization of the central government's excessive involvement in local governments and regulations that differ

according to local governments.

(6) Bush and Koizumi -- the fate of the strengthened alliance (Part 2 -- conclusion): Enhanced bonds; Japan plays a part in US strategy

TOKYO SHIMBUN (Page 2) (Slightly abridged)
August 1, 2006

Yoichi Toyoda

Prime Minister Junichiro Koizumi had long cherished the dream of visiting Elvis Presley's Graceland. On June 30, Koizumi, along with President George W. Bush and his wife, Laura, visited the home in Memphis, Tennessee. He was excited, crooning Elvis' songs in front of Presley's ex-wife and daughter, even imitating Elvis' moves.

On the way back from Graceland aboard the presidential vehicle headed to a luncheon site, Bush told Koizumi, who was still filled with excitement: "How about making a stop at the National Civil Rights Museum?"

The Rev. Dr. Martin Luther King Jr., the leader of the US civil rights movement, was killed at Memphis' Lorraine Motel. The motel is now a museum.

Bush suggested a visit to the museum for two reasons.

One: a campaign strategy. By highlighting his administration's emphasis on human rights, Bush wants to get broad support among Blacks critical of the Republican Party and to roll back in the mid-year election in November, in which he is at present expected to have an uphill battle.

On June 20, Bush attended the annual meeting of the National Association for the Advancement of Colored People (NAACP) for the first time since taking office as president in 2001. In the meeting, referring to his recent visit to the museum with Koizumi, Bush asked for support for the Republican Party. He said: "The Republican Party and African-Americans have long ignored each other. I want to change this relationship."

Two: justification of his human rights diplomacy.

Bush made a preemptive attack on Iraq to topple the Hussein regime in March 2003, citing the need to dismantle weapons of mass destruction, which he then thought were stored in Iraq, and liberate the Iraqi people from dictatorship.

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Afterwards, even though a full-fledged government has since been established in Iraq, terrorist attacks by anti-US armed militias have continued, and the death toll of US soldiers since the war started now tops 2,500. Bush has seen his approval ratings dive to the 30% level.

Presumably, Bush wanted to calm down calls in the US for a pullout from Iraq by displaying his ally, Koizumi, coming around to his human rights-emphasized position.

The human rights diplomacy by the Bush administration is also part of the global strategy by the neoconservatives, including Vice President Cheney, whose goal is to proliferate so-called American values, such as democracy, human rights, and the market economy, backed by America's overwhelming power, including military strength.

This strategy is reflected in the Japan-US alliance.

After the Japan-US summit in June, a statement titled "The Japan-US Alliance of the 21st Century) was released to sum up the Bush-Koizumi relationship. The statement says: "The two countries stand together not only against mutual threat but also for the advancement of core universal values such as freedom, human dignity and human rights, democracy, market economy, and rule of law."

Those values are described in the statement as something "deeply rooted in the long historic traditions of both countries." But undeniably, they take their origin from the US.

Japan and the US have enhanced the alliance under the honeymoon between Bush and Koizumi. But the more the bonds between the two countries are strengthened, the more Japan will be forced to play a part in America's global strategy.

(7) Yoshinori Katori becomes ambassador to Israel

SANKEI (Page 2) (Full)
August 2, 2006

The government decided yesterday in a Cabinet meeting to appoint a number of ambassadors, including the appointment of the Foreign Ministry's press secretary Yoshinori Katori as ambassador to Israel. Deputy Ambassador to the United Nations Shinichi Kitaoka, who had been picked from the private sector, has stepped down from his post. Takahiro Shinyo, previously director general of the Global Issues Department, was picked as deputy permanent representative to the UN. Those appointments were formally announced as of Aug. 1.

Ambassador to Brunei Itsuo Hashimoto: Left the University of Tokyo in mid-course; joined the Ministry of Foreign Affairs (MOFA) in 1971; served as managing director of the Council of Local Authorities for International Relations since September 2004, after having served in such posts as consul general in Shanghai and ambassador to Laos; age 58; Fukushima Prefecture.

Ambassador to Greece Takanori Kitamura: Left Keio University graduate school in mid-course; entered MOFA in 1972; served as consul general in Hong Kong since March 2004; after serving as deputy director of the Center for the Promotion of Disarmament and Non-Proliferation of the Japan Institute for International Affairs and other posts; age 59; Saga Prefecture.

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Ambassador to UNESCO Seiichi Kondo: Left the University of Tokyo graduate school; entered MOFA in 1972; deputy secretary general of the Organization for Economic Cooperation and Development since August 2005; after serving as director general of the Public Diplomacy Department; age 60; Kanagawa Prefecture.

Ambassador to UN Takahiro Shinyo: Graduated from Osaka University; entered MOFA in 1972; served as director general of the Global Issues Department since January 2005, after serving in such posts as deputy director general of the European Affairs Bureau and consul general in D|sseldorf; age 56; Kanagawa Prefecture.

Ambassador to Denmark Masaki Okada: Graduated from Kyoto University; joined MOFA in 1973; served as director general of the Public Diplomacy Department since August 2005, after serving in such posts as chief of protocol and deputy director general of the Public Diplomacy Department; age 56; Chiba Prefecture.

Ambassador to Israel Yoshinori Katori: Graduated from Hitotsubashi University; entered MOFA in 1973; served as the ministry's press secretary since August 2005, after serving in such posts as minister

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to South Korea, assistant vice minister, and director general of the Consular Affairs Bureau; age 56; Tokyo.

Ambassador to Spain Motohide Yoshikawa: Graduated from International Christian University; entered MOFA 1974; served as director general of the Middle Eastern and African Affairs Bureau since August 2004, after assuming such posts as ambassador to the UN and deputy director general of the Economic Cooperation Bureau; age 55; Nara Prefecture.

Envoy Extraordinary and Minister Plenipotentiary to China Shinichi Nishimiya: Graduated from the University of Tokyo; entered MOFA in 1976; served as minister-counselor to China since August 2005, after serving as director of the Policy Coordination Division and deputy

director general of the Asian and Oceanian Affairs Bureau; age 54; Tokyo.

MOFA also named as of Aug. 1 Shigekazu Sato, previously director general of the Economic Cooperation Bureau, as consul general in Hong Kong, and Shinsuke Sugiyama, previously deputy director general of the Middle Eastern and African Affairs Bureau, as acting director general of the Middle Eastern and African Affairs Bureau.

SCHIEFFER